

State of Wisconsin, Department of Revenue

DIVISION OF STATE AND LOCAL FINANCE, BUREAU OF PROPERTY TAX, 2135 Rimrock Road, P.O. Box 8971, MS6-97, Madison, WI 53708-8971

REAL ESTATE TRANSFER NEWS (RETN)

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The following questions and answers are given as general interpretations of the Wisconsin Administrative Code and Statutes. For additional information, go to Real Estate Transfer and Merger/Conversion page: <http://www.revenue.wi.gov/ust/retn.html>

This RETN may be found under Resources; [Newsletters](#) (Real Estate Transfer News)

The eRETR (electronic Real Estate Transfer Return): Real Estate Transfer Return Filing - [eRETR PE-500 and PE-500x](#)

RETN FREQUENTLY ASKED QUESTIONS

Q1. Do we need a Certificate of Compliance recorded when the property will be conveyed but torn down within a week of purchase?

- A. Comm. 67 requires a Stipulation, Waiver or Certificate of Compliance be recorded with each property transfer that is subject to the Rental Energy Efficiency Code. So if this property is subject, you must record one of the above. Assuming that there is not an already outstanding stipulation on the property, a WAIVER can be entered into. This waiver states that the property will be demolished within two years. Once the property is demolished, notify the Department of Commerce and a Satisfaction of Compliance will be issued. The Satisfaction of Compliance needs to be recorded with the Register of Deeds and will then clear the title on the property. For additional questions and contact information, please go to the Department of Commerce Safety and Buildings Division Rental Weatherization Program website at: <http://www.commerce.state.wi.us/SB/SB-RentalWeatherizationProgram.html>. There is a link to the Weatherization Program on the Dept. of Revenue's Real Estate Transfer Merger/Conversion web site list above.

Q2. I am preparing a deed in satisfaction of a land contract. When the land contract was taken out the property was all vacant land. Now the property has improvements, so I am wondering what value goes on the transfer return? The original land contract value or the current property value with the improvements?

- A. The value that needs to be on the return is the original land contract value. The real estate was conveyed on the land contract, not the satisfaction.
See October 2007 RETN, Q3: <http://www.revenue.wi.gov/ust/news/0710.pdf>

Q3. An LLC is going to be dissolved. The LLC owns some condo units and plans to deed each member of the LLC a unit. The members are unrelated to each other, so they cannot use exemption (15s). There is a mortgage on all the units held by the LLC and the individual members will take a loan out on their individual units in order to have the LLC's outstanding mortgage released. Is there a transfer fee due for each unit or can they use either exemption 5 for Partition or exemption 10 to release a security or debt?

- A. The transfer fee is due on each of the deeds to the members based upon the fair market value of each unit. Exemption 5 does not apply as the definition of partition is not met. Partition is defined under s. 77.21(1k), Stats. as "the division among several persons of real property, including noncontiguous real property, that belongs to them as co-owners." This is not partition since the individuals do not own the real estate; the LLC owns the real property. The individuals own the membership in the LLC which is personal property. Exemption 10 does not apply since there is a conveyance of real estate and not "solely to provide or release security for a debt." Exemption 10 does not convey a fee simple interest in real property; it only applies when a deed is used as a mortgage or lien.
See October 2007 RETN, Q2: <http://www.revenue.wi.gov/ust/news/0710.pdf>

Q4. I am doing a deed to a trust. On the deed, the grantee is taking title as a Trustee of a Trust; do we enter the Trust name or the Trustee's name as the Grantee on the eRETR?

- A. In the Grantee section, select "Trust" as the Grantee type and enter the trust name as the grantee and in the Agent and preparer section, enter the trustee as agent. This rule is the same for the Grantor when a trust is the grantor. The Register of Deeds will accept the Receipt as complying with the name matching rule.

Q5. Can I use two eRETR Receipts with one deed? There are two grantors, and they want to reflect how much of the sale price is going to each of them.

- A. No. One deed, only one transfer return can be accepted. The one Receipt will have to have both names for the Register of Deeds to accept the recording. When filling out the eRETR, they would "Add" the second grantor (if two) so there is an area to fill out the data for both. On the bottom of each fill-in there is the question "Ownership interest transferred" and they would check either "Partial" or "Other" and then have to complete the "Explain if Partial or Other is selected" box by listing the percentage of ownership transferred for that person. The "Explain if Partial or Other is selected" boxes would have to total 100% if all the property is being conveyed. If they checked "Full" for each, they would not have to complete "Explain if Partial or Other is selected" and it would be assumed that each had 50% interest.

Per the Register of Deeds Criteria for a Completed Return, ALL grantors, grantees and parcels on the document being recorded MUST be on the ONE Receipt. Criteria link: <http://www.revenue.wi.gov/pubs/slf/pe100e.html>
Multiples deeds are not accepted for one return and one return is not acceptable for multiple deeds.

Also see RETN February 2000, 3Q: <http://www.revenue.wi.gov/ust/news/0002.pdf>

Q6. I am preparing the deed and transfer return and then forwarding them to a title company for closing. In the past, I have been doing paper transfer returns so as to avoid putting the wrong date in the "date of conveyance" blank (in the event the closing is postponed, etc.). I would prefer to use the electronic transfer return and submit it and send the receipt along with the deed to the title companies in these situations. How important is it that the "date of conveyance" on the eRETR and the date of the deed match?

- A. The "date of conveyance" is the date the deed is "delivered to the buyer" which has been interpreted as the "date of closing" even though the deed may have been signed on a different date. If the date of closing is changed to a different month or into the next year from what was originally entered, the eRETR "Date of conveyance" must be changed.

Examples of why we are asking for "date of closing" and why the year end date is important:

1. Tax exempt property sold from a church to an individual, deed signed December 15, 2005 and closing is January 6, 2006. On the paper return, the Register of Deeds entered the date of conveyance as Dec. 15, 2005; Property was put on tax roll for 2006. New owner sued and won case for another year of exemption as "date of closing" was after January 1.
2. Claim for Lottery & Gaming Credit for primary residence is similar to above since the deed is signed before January 1, 2006 and closing is after the first of the year, the property is not qualified for Primary Residence as of Jan. 1, 2006 and the Lottery & Gaming Credit would not apply until Jan. 2007

Solutions if you need to change the "date of conveyance":

1. Fill out the eRETR, save the file and e-mail it to the title company. Before closing they would go to the Real Estate Transfer web site and restore the file, make any changes necessary, Submit and print the Receipt and Return.
2. Fill out the eRETR; Submit, send the deed and Receipt to the title company. If changes are to be made, they could notify you, you restore the saved file, make changes and Submit. You will get a new Receipt Number and destroy the old one. You then fax the title company the new Receipt or simply give them the new Receipt Number and they could go to the Real Estate Transfer web site, click on "View a submitted eRETR", enter the new Receipt Number, value of property and the last name of the grantor or grantee and print the Receipt.

Q7. I am having problems with the degree symbols and such when I copy and paste legal descriptions into the eRETR Legal description box. Is there any way to get the symbols to appear correctly?

- A. The Microsoft symbols (from Microsoft Word) that you can insert in to a document will NOT carryover properly in the eRETR legal description. Symbols should be typed using "Alt-Key Codes". Symbols can be created by holding the Alt Key while typing 34 or 39 on the number key pad and a ' or a " will appear (Sometimes it takes a moment.) To type the 'degree' symbol for legal descriptions press and hold the Alt Key while typing 0176 on the number keypad and a ° will appear. These "Alt-Key Codes" should work within any software application. Links to complete lists of these types of codes can be found on the internet at: <http://www.usefulshortcuts.com/alt-codes/punctuation-alt-codes.php> and <http://www.usefulshortcuts.com/alt-codes/index.php>